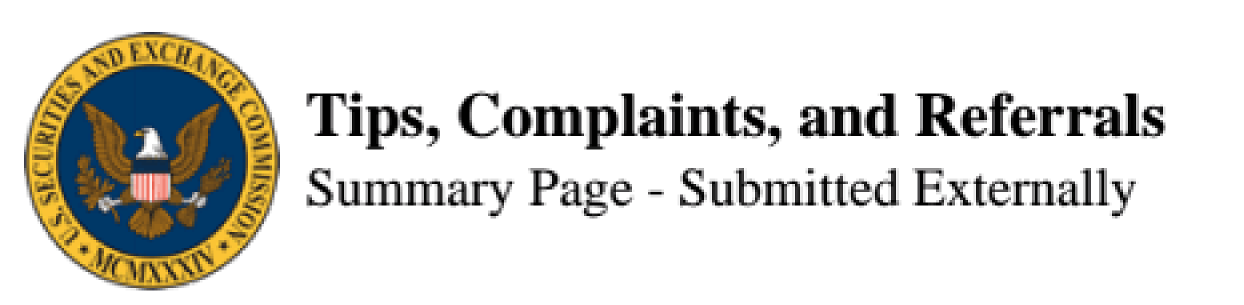


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What is your complaint about?

Q: Please select the option that best describes your complaint.

A: Insider trading

Q: Please select the specific category that best describes your complaint.

A: Corporate insider

Q: In your own words, describe the conduct or situation you are complaining about.

A: My name is [redacted] I have been an employee of the Natixis/BPCE group for the past 17 years, with half of this time spent in the Paris office, and half in the New York office. I am reporting the following suspicious trade: Pierre Debray, Chief Risk Officer ("CRO") of Natixis, sold 32,292 shares of Natixis at a price of €5.127/share on November 14, 2018. I consider that this trade is suspicious because I have serious reasons to suspect that Pierre Debray was in possession of adverse Material Non-Public Information ("MNPI") at the time he sold his shares. On December 18, 2018, Natixis issued a profit warning which caused the stock price to fall to its lowest level in two years (€4.17). The profit warning was related to significant hedging losses in the Equity Derivatives business in Asia. The existence of significant losses in that business line in Asia was known by several Natixis employees as early as mid-November, and possibly even earlier. As CRO of Natixis, Pierre Debray was most likely very well informed about the situation, and should thus have refrained from selling if he knew about it. Here is a chronology of events that explains why this trade is suspicious. Thursday November 8, 2018: Natixis releases good quarterly

earnings and simply mentions that “3Q18 saw a strong momentum in equity derivatives, especially in France, balancing challenging market conditions in Asia”. Wednesday November 14, 2018: Pierre Debray, CRO of Natixis, sells 32,292 shares of Natixis at a price of €5.127/share. As a corporate insider, Pierre Debray is required to file this trade with the French regulator (AMF), and he did comply with this requirement. The AMF does not approve the transaction or check the accuracy of the filing, but it makes the filing available on its website, which is how I was able to learn about the transaction (Exhibit 1). Thursday November 15, 2018: a manager in the Natixis New York office announces to his team that there is a loss within Equity Markets Asia and that it is so large that it will impact significantly the bonus pools of Natixis worldwide, even in New York. I was given the information about what was discussed in that meeting by colleagues in the Natixis New York office who attended the meeting. I personally heard about the incident in Asia for the first time several days later, on Wednesday November 21, 2018. Tuesday December 18, 2018: one hour after the market close, Natixis issues a press release (Exhibit 2) disclosing a €260 million loss related to the Equity Derivatives business in Asia, including a €160 million provision. This exceptional loss relates to “the deterioration of market conditions in Asia which was already flagged at the occasion of the second and third quarter results as weighing negatively on the equity derivatives activity”. Wednesday December 19, 2018: the market reacts very negatively to the announcement of the loss in Asia and the Natixis stock price falls 6.3%, closing at €4.17, its lowest level in the past 2 years (2nd worst performance of the SBF120 index on this trading session). All the elements of the above timeline are public, except for the paragraph relating to November 15, 2018, which is precisely what makes the transaction suspicious: - It is highly unlikely that Pierre Debray, being the CRO of Natixis, did not know about the significant problem in Asia on November 14, 2018; - The information about the loss in Asia seems to fit the description of MNPI because it was large enough to impact significantly the bonus pool of employees in New York, and because it had a significant impact on the stock price when it was disclosed to the market. Although Pierre Debray is based in France, and although the Natixis stock is traded on Euronext Paris (ticker: KN FP), it is still relevant for me to report this suspicious trade to the SEC for the following reasons: - Natixis is not a small French bank, it is a global financial institution with a relatively strong presence in the U.S. including significant Corporate & Investment Banking activities. The Asset & Wealth Management division of Natixis includes large U.S. investment managers such as Loomis Sayles and Harris Associates and is one of the largest global asset managers with ~$1 trillion AUM. - Pierre Debray, as CRO and Member of the Senior Management Committee of Natixis, has oversight responsibilities over Natixis activities worldwide, including in the US. He has spent several years working in the US and I see on brokercheck that he was a registered broker in 2009 (Series 7, 24), although he is no longer a registered broker. - The suspicious trade was approved by Natixis Compliance, which is currently headed by Stephane Morin in Paris (see section where I describe my complaint to the firm). - Stephane Morin is moving to New York in March 2019 to become the new Deputy CEO of Natixis CIB Americas. In his new role, Stephane Morin will oversee Compliance, Legal Risk and Regulatory affairs starting March 18, 2019 and will have a reporting line into Pierre Debray (Exhibit 3).

Q: Are you having or have you had difficulty getting access to your funds or securities?

A: No

Q: Did you suffer a loss?

A: No

Q: When did you become aware of the conduct? (mm/dd/yyyy)

A: 01/16/2019

Q: When did the conduct begin? (mm/dd/yyyy)

A: 11/14/2018

Q: Is the conduct ongoing?

A: No

Q: When did the conduct stop? (mm/dd/yyyy)

A: 11/14/2018

Q: Has the individual or firm acknowledged the conduct?

A: No

Q: How did you learn about the conduct? You may select more than one answer.

A: Publicly available information

Q: Have you taken any action regarding your complaint? You may select more than one answer.

A: Complained to firm

Q: Provide details.

A: I found out about the existence of the trade on January 16, 2019. The next day, I sent an email directly to Pierre Debray to ask him whether he was aware of a large loss in Equity Markets Asia when he sold his shares on November 14, 2018. I was laid off from Natixis New York soon after sending this email (see following section on retaliation). Later on, I sent other emails from my gmail account to Senior Management in Paris to let them know about my suspicions. I received several responses which all consist in saying that Pierre Debray complied with the internal trading policy of the bank and that he was not in possession of MNPI when he sold his shares. However, these responses consistently avoid providing any details that might help me understand why the trade might be legitimate despite appearances to the contrary. More specifically, here are the various responses I have received.
1/21/2019: Pierre Debray told me in an email response that he complied with the internal policy and received

approval from Compliance before selling his shares. 1/21/2019: Stephane Morin (Global Head of Compliance) told me in an email response that Pierre Debray complied with the internal policy, received permission from the Compliance department who verified that Pierre Debray was not in possession of MNPI before allowing him to sell his shares. 1/31/2019: Stephanie Paix, Head of BPCE Inspection Generale (Internal Audit of BPCE, the 71% controlling shareholder of Natixis) told me in an email response that she conducted interviews with Pierre Debray, Stephane Morin, and with Francois Riahi (CEO of Natixis), reviewed certain documents, and concluded that the trade complied with the rules. 2/18/19: Stephanie Paix told me in an email response that she does not want to explain to me which elements of her investigation allowed her to reach her conclusion. Based on these responses, it appears that at least part of the Senior Management is comfortable with Pierre Debray's transaction. However, even after I insisted, they refused to explain how they have reached the implausible conclusion that Pierre Debray was not in possession of MNPI at the time he sold his shares. From my perspective, their conclusion implies that: - either Pierre Debray did not know about the losses in Asia at the time he sold his shares, - or they consider that the information about the loss in Asia was not MNPI. But none of these two explanations makes sense based on the facts I described in the initial section. And the latest response I received made it clear that they do not plan to tell me which of these two explanations they have managed to get comfortable with. It is still a possibility that there is a rational explanation that would make this trade legitimate, but I cannot imagine what it is, and they have refused to even give me a hint of what it might be. They are basically implying that I should trust their word for it, which is not a satisfactory response. Therefore, based on all the information I have today, this trade is still very suspicious.

Who are you complaining about?

Subject # 1

Q: Are you complaining about a person or a firm?

A: Person

Q: Select the title that best describes the person or firm that you are complaining about.

A: Executive officer or director

Q: Where is the person that you are complaining about employed?

A: Natixis

Q: Are you or were you associated with the person or firm when the alleged conduct occurred?

A: Yes

Q: How are you or were you associated with the person or firm you are complaining about?

A: I have been an employee of the Natixis/BPCE group for the past 17 years, with half of this time spent in the Paris office, and half in the New York office.

Q: Person's Title

A: Mr

Q: First Name

A: Pierre

Q: Last Name

A: Debray

Q: Street Address

A: [redacted]

Q: Zip / Postal Code

A: [redacted]

Q: City

A: Paris

Q: Country

A: France

Q: Work Phone

A: [redacted]

Q: Email Address

A: pierre.debray[redacted]

Q: Website

A: www.natixis.com

Q: If the complaint is about an entity or person that has custody or control of your investments, have you had difficulty contacting that entity or person?

A: No

Q: Is Primary Subject

A: Yes

Which investment products are involved?

Q: Select the type of product involved in your complaint.

A: Equities (e.g., common stock, preferred stock)

Q: Please select the category that best describes the security product.

A: Common stock (exchange-traded stock)

Q: Enter the ticker symbol, if known.

A: KN FP

Q: Enter the product name(s)

A: Natixis common stock

About you

Submitter # 1

Q: Are you filing this tip under the SEC's whistleblower program?

A: Yes

Q: Are you an attorney filling out this form on behalf of an anonymous whistleblower client who is seeking an award?

A: No

Q: Title

A: Mr

Q: First Name

A: [redacted]

Q: Last Name

A: [redacted]

Q: Street Address

A: [redacted]

Q: Address (Continued)

A: [redacted]

Q: Zip / Postal Code

A: [redacted]

Q: City

A: NEW YORK

Q: State / Province

A: NY

Q: Country

A: US

Q: Mobile Telephone

A: [redacted]

Q: Email Address

A: [redacted]@gmail.com

Q: What is the best way to reach you?

A: Email

Q: Are you represented by an attorney in connection with this matter, or would you like to provide your attorney's contact information?

A: No

Q: Select the profession that best represents you.

A: Registered Representative

Q: Have you reported the matter at issue in this submission to your supervisor, compliance office, whistleblower hotline, ombudsman, or any other available mechanism for reporting possible violations at any entity you are complaining about?

A: Yes

Q: If you answered "Yes," please provide details.

A: I complained to the firm, as described previously.

Q: Were you retaliated against for reporting the matter at issue in this submission either internally at the entity or to a regulator?

A: Yes

Q: If you answered "Yes," please provide details.

A: I sent an email to Pierre Debray asking him about his trade on January 17, 2018 in the morning. I had a catch-up meeting scheduled with Human Resources in the afternoon of the same day which, to my surprise, turned into a meeting with the Head of HR who announced me that my employment in Natixis New York was being terminated immediately. I asked whether this decision was some form of retaliation for my unpleasant but legitimate question about Pierre Debray's trade. HR New York and HR Paris responded subsequently that the two events were unrelated and that this was not retaliation. One of their responses implied that they had decided to terminate my employment even before I found out about Pierre Debray's trade, but I don't know whether it is true. Still, I have asked them multiple times to explain why my employment had been terminated, if not for retaliatory reasons, and so far, more than a month after the facts, they still have not come up with an explanation. Based on the fact that they do not seem to want to explain why my employment in New York was terminated, I think that the motive might be retaliation. There is actually another level of complexity in my employment situation: I still have a French employment contract and Natixis is required to hire me back in Paris on April 8, 2019. So far, I have been told that I can present myself on that date in the Paris office and that my access to the Natixis buildings will be restored, as well as my access to the company systems (email and others). I plan to present myself in Paris in April but I am very uncertain about what awaits me there, considering I have already been fired once.

Q: Has anyone taken steps to prevent you from reporting this violation to the SEC?

A: No

Q: Are documents or other information being submitted that could potentially identify the whistleblower?

A: No

Q: Does the whistleblower want to be eligible to apply for a whistleblower award?

A: No

Documents

Document Name	Document Type
Exhibit 1-AMF-Filing describing the transaction.pdf	application/pdf
Exhibit 2-PR-Disclosure of loss in Asia.pdf	application/pdf
Exhibit 3-PR-Appointment Morin.pdf	application/pdf